

County Council Weighs Swim Club Tax Credit

New State Law Allows Break for Pools

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The Montgomery County Council is considering legislation that would provide a 100 percent property tax credit to nonprofit swim clubs, which have been hit in recent years with soaring assessments.

At least 50 swim clubs around the county — from Hillandale to Wheaton, Bethesda to Gaithersburg — would be eligible for the tax credit.

"I think that these facilities need protection," said council member Howard A. Denis (R-Potomac-Bethesda), who along with Steven A. Silverman (D-At Large) is a lead sponsor of the bill. "They have a green space component and satisfy a tremendous need in our community."

The council is scheduled to vote on the issue at its meeting Tuesday. Three other council members — Nancy M. Floreen (D-At Large), Marilyn J. Praisner

(D-Eastern County) and George L. Leventhal (D-At Large) — have indicated support for the measure by signing on as sponsors.

One beneficiary of the tax credit would be Country Glen Club in Potomac.

Last year, the club received an \$18,000 property tax bill, president Jordan Fainberg said. The bill was about \$8,000 the previous year. Prior to that it had held steady at \$3,000 to \$4,000 annually, he said.

"The tax bill to us is about 12 or 13 percent of our total budget," Fainberg said. "It's tripled our ratios."

When he appealed the bill, even the administrator he talked to agreed the assessment was unfair. But state law, the administrator told him, mandates that property be assessed for its "highest and best use," which — for places like Country Glen and other

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swim clubs — means assessing based on potential development. Meanwhile, Country Glen doesn't have the means to cover its costs in addition to the higher taxes, Fainberg said.

County officials have the authority to offer the tax credit under state legislation passed this year that allows municipalities to offer them to nonprofit swim clubs "that use their facilities exclusively to provide a recreational outlet to the local community."

That legislation, sponsored by Sen. John A. Giannetti Jr. (D-Prince George's), was inspired by

complaints from users of a College Park swim club suffering similar tax woes.

If the local bill passes, Montgomery will be the first county in the state to use the law.

"I'm very proud of Montgomery County for hopping on it so quickly," Giannetti said. "I'm hoping Prince George's is going to follow soon after."

All of the nonprofit swim clubs eligible for the tax credit are open to the public.

Pools that are not taxed separately are not eligible for the tax credit. These facilities are part of common ownership communities and are considered amenities, so

the assessment is split among homeowners.

If the Montgomery County Council passes the bill, officials estimate that the credit would cost the county at least \$343,000 and possibly more because the list of eligible swim clubs probably will grow to more than the 50 already identified. An application process will be put in place to sort out which pools are eligible.

"Everybody's happy about it," Fainberg said. "These community swim clubs are vital to the communities. On a Saturday morning, you go to the swim meets and all the cars are painted with names. ... It's really a very wholesome thing."